

Message Text

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PAGE 01 STATE 052502
ORIGIN OES-07

INFO OCT-01 EUR-12 ISO-00 H-01 ACDA-12 DOE-11 NRC-05
SOE-02 AID-05 CEA-01 CIAE-00 COME-00 DODE-00
EB-08 INR-10 INT-05 L-03 NSAE-00 NSC-05 OMB-01
PM-05 USIA-06 SP-02 SS-15 STR-07 TRSE-00 IO-13
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H:K.SMITH (PARA 1)
OES/NET/EIC:D.HOYLE
EUR/WE:A.HUGHES
ACDA:F.BUCHHOLZ
DOE:R.SLAWSON
NRC:M.GUHIN (SUBS)

-----079681 012203Z /64

P 012001Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY MADRID PRIORITY

C O N F I D E N T I A L STATE 052502

E.O. 11652: GDS

TAGS: ENRG, MNUC, US, SP

SUBJECT: SPANISH REACTION TO U.S. NON-PROLIFERATION
LEGISLATION

REF: MADRID 1579

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1. ACCORDING TO SENATOR SPARKMAN'S OFFICE, NO LETTER
FROM JOSE LUIS SANCHEZ, DIRECTOR OF NUCLenor, HAS BEEN
RECEIVED. THEREFORE, DEPARTMENT UNABLE TO COMMENT ON
SPECIFIC ALLEGATIONS OF DELAYS IN LICENSING NUCLEAR
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PAGE 02 STATE 052502

EQUIPMENT AND MATERIAL FOR SPAIN OTHER THAN THOSE CITED
IN REFTTEL. FOLLOWING SUMMARY MAY BE OF USE TO EMBASSY
IN RESPONDING TO CRITICISM THAT U.S. IS UNRELIABLE
SUPPLIER.

A. ASCO II REACTOR. REPORTED THIRTY MONTH PERIOD FROM
FILING OF EXPORT LICENSE APPLICATION (JANUARY 1974)

UNTIL ISSUANCE OF LICENSE (JUNE 1976) IS CORRECT. HOWEVER, DURING THIS PERIOD THE ATOMIC ENERGY COMMISSION (WITH WHOM THE LICENSE APPLICATION WAS ORIGINALLY FILED) WAS SPLIT INTO THE NUCLEAR REGULATORY COMMISSION (NRC)-- A LICENSING AUTHORITY--AND THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION (ERDA). THUS PART OF THE

DELAY MAY BE ATTRIBUTED TO INITIAL UNCERTAINTIES AND CONFUSION OVER PROCEDURES TO BE FOLLOWED IN REFERRING EXPORT LICENSE APPLICATIONS FOR EXECUTIVE BRANCH, REVIEW, AGENCIES TO BE CONSULTED, ETC. ADDITIONALLY, A SEVENTEEN MONTH DELAY IN RECEIPT OF THE NECESSARY LETTER FROM THE SPANISH AUTHORITIES CONFIRMING THAT THE AGREEMENT FOR COOPERATION WILL APPLY AND THAT RECIPIENT IS AUTHORIZED TO RECEIVE MATERIAL ("AUTHORIZED PERSON" LETTER) MUST BE FACTORED INTO REASONS FOR DELAY. CONCERNS THAT CURRENT U.S.-SPAIN BILATERAL AGREEMENT DOES NOT PROVIDE FOR U.S. CONTROLS OVER ANY NON-U.S. FUEL UTILIZED IN ASCO ALSO DELAYED THE LICENSING DECISION BY THE NRC.

B. VALDECABALLEROS REACTOR. DELAYS CAN BE ATTRIBUTED TO U.S. GOVERNMENT CONCERNS ABOUT LACK OF U.S. CONTROLS OVER POSSIBLE USE OF NON-U.S. FUEL AND SPAIN'S ACCEPTANCE OF U.S. UNDERSTANDING THAT NO U.S. SUPPLIED MATERIAL OR EQUIPMENT, AND NO MATERIAL PRODUCED THEREFROM, CONFIDENTIAL

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PAGE 03 STATE 052502

BE USED FOR ANY NUCLEAR EXPLOSIVE PURPOSE. INTERIM ASSURANCES OBTAINED IN APRIL 1977 NOTE EXCHANGE AS WELL AS A CLARIFICATION OF PREVIOUS UNDERSTANDINGS RE NUCLEAR EXPLOSIVE DEVICES WERE SUFFICIENT TO PERMIT NRC TO ISSUE LICENSE IN MAY 1977--SEVENTEEN MONTHS FROM TIME APPLICATION WAS FILED.

C. LEMONIZ, ZORITA, AND GARONA REACTORS. LICENSES WERE ISSUED BY AEC IN ALL THREE CASES IN LESS THAN SIX MONTHS FROM DATE OF RESPECTIVE APPLICATIONS, WITH ZORITA BEING APPROVED IN SEVEN WEEKS. IN THE CASES OF GARONA AND LEMONIZ, ANY APPRECIABLE DELAY CAN BE ATTRIBUTED TO LACK OF RECEIPT OF "AUTHORIZED PERSON" LETTER. WE ASSUME "OTHER PROBLEMS" IN LATTER TWO REACTOR CASE; RELATED MORE TO REQUESTS FOR APPROVAL TO RETRANSFER SPENT FUEL DELAYED WHILE POLICY REVIEW UNDERWAY THAN TO LICENSING ORIGINAL REACTOR EXPORTS. SINCE REVIEW WAS COMPLETED AND POLICY ESTABLISHED, THESE RETRANSFER APPLICATIONS HAVE BEEN APPROVED ON A CASE BY CASE BASIS.

2. FOLLOWING REACTOR EXPORT LICENSES FOR SPAIN NOW PENDING IN EXECUTIVE BRANCH:

REACTOR	SUPPLIER	DATE/APPLICATION
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ESCATRON 1&2	WESTINGHOUSE	12/3/76
IBERDUERO 4	WESTINGHOUSE	12/10/76
SANTILLAN	GENERAL ELECTRIC	1/10/77
REGODOLA	WESTINGHOUSE	8/17/77
FECSA III	WESTINGHOUSE	8/24/77

FECSA III	GENERAL ELECTRIC	1/9/78
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IN ALL CASES URTHER EXECUTIVE BRANCH ACTION AWAITS
RECEIPT OF "AUTHORIZED PERSON" LETTER FROM SPANISH
AUTHORITIES. IN FIRST THREE CASES, DEPARTMENT OF ENERGY
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PAGE 04 STATE 052502

HAS RECEIVED COMMUNCIATION FROM SPANISH EMBASSY STATING
THAT GOS UNABLE TO PROVIDE REQUIRED LETTER AT THIS TIME.

3. FOLLOWING REACTOR FUEL EXPORT LICENSES NOW PENDING IN
EXECUTIVE BRANCH:

REACTOR DESTINATION	SUPPLIER	DATE/APPLICATION
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SAYAGO	WESTINGHOUSE	7/15/77
VANDELLOS	WESTINGHOUSE	8/9/77
LEMONIZ 1 & 2	WESTINGHOUSE	11/14/77
ALMARAZ 1 & 2	WESTINGHOUSE	11/17/77

AS IN REACTOR CASES, FURTHER EXECUTIVE BRANCH ACTION
DEPENDENT ON RECEIPT OF "AUTHORIZED PERSON" LETTER.

4. A LICENSE APPLICATION FOR FUEL FOR THE COFRENTES
REACTOR FILED BY GENERAL ELECTRIC IN JUNE 1977 RECEIVED
A FAVORABLE RECOMMENDATION FROM THE EXECUTIVE BRANCH
LAST OCTOBER AND IS NOW UNDER REVIEW BY THE NRC.
DEPARTMENT NOW PROVIDING SUPPLEMENTARY ,NFORMATION IN
RESPONSE TO A COMMISSIONER'S REQUEST.

5. CONCERNING STATUS OF SPANISH REQUESTS TO RETRANSFER
U.S. ORIGIN SPFNT FUEL TO UK FOR REPROCESSING, MB-10
APPLICATION FOR ZORITA FUEL FILED LAST AUGUST (77 MADRID
9986 AND 77 STATE 304293) RECEIVED DOE APPROVAL ON
FEBRUARY 24, 1978. REQUEST FOR EXTENSION TO APRIL 28,
1978, OF PREVIOUSLY AUTHORIZED RETRANSFER OF 63 FUEL
ELEMENTS FROM GARONA GRANTED BY DOE ON FEBRUARY 10, 1978.
REQUEST FOR RETRANSFER OF REMAINING 128 FUEL ELEMENTS
FROM GARONA JUST RECEIVED BY DOE AND IS NOW UNDER REVIEW
BY CONCERNED AGENCIES.
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PAGE 05 STATE 052502

6. IN NO INSTANCE DO WE HAVE ANY EVIDENCE THAT ALLEGED DELAYS IN USG ACTION RESULTED IN ACTUAL DELAY IN START-UP OF NEW REACTOR OR IN CONTINUING OPERATION OF EXISTING REACTOR (ALTHOUGH IT IS POSSIBLE THAT U.S.- REACTOR VENDOR AND/OR SPANISH UTILITY MAY HAVE SUFFERED SOME ECONOMIC CONSEQUENCE). END LIMITED OFFICIAL USE.

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7. FOR EMBASSY'S INFO ONLY. AS EMBASSY WILL NOTE, EXECUTIVE BRANCH CANNOT TAKE FURTHER ACTION ON PENDING

LICENSE APPLICATIONS, PARTICULARLY ON REACTOR EXPORTS, UNTIL GOS HAS PROVIDED REQUISITE "AUTHORIZED PERSON" LETTERS. WE ASSUME THESE DELAYS ARE LIKELY PRODUCT OF SPAIN'S REVIEW OF ITS DOMESTIC ENERGY PROGRAM AND RESULTING UNCERTAINTIES AS TO WHICH NUCLEAR POWER PLANTS SHOULD BE CONSTRUCTED (MADRID 1781). HOWEVER, DEPARTMENT ALSO HAS RECEIVED INDICATIONS FROM U.S. INDUSTRY SOURCES THAT GOS IS URGING SPANISH UTILITIES TO SELECT NON-U.S. VENDORS. DEPARTMENT BELIEVES THAT ONE WAY TO HELP ENSURE THAT NON-U.S. SUPPLIER IS CHOSEN WOULD BE TO WITHHOLD ISSUANCE OF AUTHORIZED PERSON LETTER NEEDED TO FURTHER PROCESS EXPORT LICENSE APPLICATION. DEPARTMENT WOULD APPRECIATE EMBASSY'S VIEWS ON THESE REPORTS. END FYI. END CONFIDENTIAL

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8. TO COUNTER CHARGES THAT NEW LEGISLATION "CAUSES GRAVE PROBLEMS...TO SPANISH NUCLEAR PLANTS", EMBASSY SHOULD DRAW ON GUIDANCE CONTAINED IN STATE 39449, PARTICULARLY PARAS 2 & 3. END LIMITED OFFICIAL USE VANCE

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Message Attributes

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